The Real Scoop on How the State Cleanup Funds Work



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Oil Remediation & Compliance Bureau

What Happens After the Spill?

- Must Report Spill to DES
- Hire Contractor for Initial Response
- DES Issues Letter of Responsibility
- Hire Consultant for Site Investigation and Remediation
- Submit Workscopes/Claims



Purpose of Funds

 "Excess Insurance" for First-Party Corrective Action and Third-Party Damage Costs

- First-Party Corrective Action Means work required under Env-Ws 412 or Env-Wm 1403
- Third-Party Damage Means "Bodily Injury" or "Property Damage"



Covered Facilities

- USTs and ASTs Storing Gasoline or Diesel (\$1,500,000 for costs after 7/1/88)
- ASTs Storing Heating Oil (\$500,00 for cost after 10/1/92)
- Facilities Storing Virgin or Used Motor Oil (\$500,000 for costs after 7/1/95)
- Facilities Storing Heating Oil for On-Premise-Use (\$500,000 for costs after 10/1/92)



Deductibles

On-Premise-Heating: \$100 after 7/1/97

All Other Facilities:

After 7/1/95		Before 7/1/95	
Facilities Owned	Deductible per Facility per Spill	Facilities Owned	Deductible per Facility per Spill
1 to 3	\$5,000	1	\$5,000
4 to 9	\$10,000	2 to 19	\$20,000
10 to 19	\$20,000	20 or More	\$30,000
20 or More	\$30,000		

Eligibility

- Must Achieve Compliance with Rules for Facility Operations
- Eligibility is Determined For Each Spill
- Must Maintain Compliance to be Eligible for Future Spills
 - UST Permit-to-Operate will be Revoked
 - Administrative Order to Cease AST Operations

How is Eligibility Determined?

• UST Facilities:

 Substantial compliance with Env-Wm 1401 rules

• AST Facilities:

- Registered with DES
- Substantial Compliance with Env-Wm 1402
- Federal SPCC
- Fire Codes

• Non-Regulated OPUF:

- Vent alarm for all facilities
- NFPA 31 after 8/28/93



Who Qualifies for the Funds?

- Owners of Active or Permanently Out-of-Service Facilities
- Current Facility Owner
- Former Facility Owner
- Certain Property Owners
- Coverage is Transferable
 - Former Owner of Active Facility
 - Property Transferee for Permanently Closed Facility



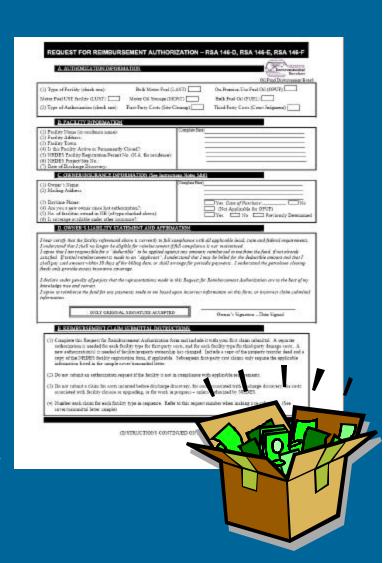
Workscope Process

- Scope and Costs Must Be Approved by DES Before Work Starts
- Pre-approved Not-to-exceed Budgets and Scopes for Standard Work
- Site-Specific Scope and Budget for Complex Projects
- Prevailing Market Rates
 Establish Acceptable Costs
- 16 Day Turnaround Time
- 54 Workscopes Reviewed per Month



Claims Process

- Qualified Facility Owners, Landowners and Property Transferees Can Submit Claims
- Direct Payment to Consultant or Contractor (Applicant)
- Reimbursement of Invoices Costs
- Deliverable Must Meet Performance Standard
- 43 Day Average Turnaround
- 240 Claims Reviewed per Month
- \$1.4 Million Approved per Month



Administrative Structure

- Oil Fund Disbursement Board
 - Membership: Legislature, Petroleum Industry,
 State Agencies, General public
 - Monthly Meetings: Appeals, Sets Policies,
 Approves Rules
 - Subcommittee: Approves Large Claims, Meets with Advisory Committee

Administrative Structure

- Department of Environmental Services
 - Approves claims less than \$50,000
 - Approves workscopes
 - Approves certain waivers
- Department of Justice
 - Legal Council
 - Intervenes in Third-Party Cases
- Department of Safety
 - Collects Fees
 - Reviews Penalty & Interest Waivers
 - Conducts Audits

Administrative Structure

- Fund Advisory Committee
 - Membership
 - Meet Quarterly (Minutes of Meeting on WEB)
 - Provide Input to Board Documents
 - Review Need for New Board Policies
 - Provide Input to Streamline Claims and Workscopes Processes

Program Accomplishments

- \$105 million Reimbursed to Facility Owners
- 970 Cleanups Completed
- 1006 Cleanups In-Progress
- Abandoned Sites Returned to Productive Use

